

Testimony of Secretary Paul Jadin
Assembly Committee on Jobs, Economy and Small Business
Assembly Bill 53 - Creation of Additional Enterprise Zones
March 22, 2011

Thank you Chairwoman Williams and committee members. I appreciate the opportunity to speak to you today in support of Assembly Bill 53.

The enterprise zone program provides refundable tax credits for various activities including job creation and retention, training, capital projects and purchases from Wisconsin-based suppliers.

The program is unique among the variety of business assistance resources offered by the Department of Commerce. While a host of other grant and loan programs and tax credits are available to a wide array of businesses of various sizes and industries, the enterprise zone program provides Wisconsin with its most powerful economic development tool and is reserved for projects with a significant job creation or retention component.

The program is limited by law to twelve zones, restricted not in statute but in practice as one business each, although one project may encompass multiple sites. To date, nine zones are under contract, while three others are in various stages of negotiation. It may be a matter of weeks before all of the twelve allowable zones have been utilized.

As such, this creates a level of urgency for the additional enterprise zone authority created under this bill. I can assure you that these zones have and will continue to be utilized cautiously. However, Wisconsin cannot afford to lose a major job creation or retention opportunity to another state simply because it ran out of its best economic development instrument.

This is a program that has enjoyed bipartisan support over the years. If you have heard this referred to as the EZ-10 program, you might ask why it allows for 12 zones. In the last session, the Doyle Administration and the Democratic Legislature saw and met the need to provide the state with two additional enterprise zones, and in the current session the Assembly Minority Leader has suggested the creation of another new zone.

It's easy to understand why this program receives support across the entire political spectrum. There is not a legislative district in the state unaffected by the economic recession, and all of you are working hard to bring job opportunities to the areas you represent. Wisconsin's enterprise zones are relatively few and are specifically located, but they truly have a statewide economic benefit, from new and increased activity among state and regional suppliers to the increased tax base of the state. Your support for this bill will advance Wisconsin's economy.

Again, thank you for your consideration. I look forward to your continued progress on this bill, and will be glad to respond to any comments or questions at this time.